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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of )  
) STIPULATION AND AGREEMENT  
THE COMMISSIONER OF BUSINESS )  
OVERSIGHT, )  
)  
Complainant, )  
)  
v. )  
)  
SHERAN DE PUTT SHER, L.L.C. d.b.a. )  
STEVE’S PIZZA, d.b.a. STEVE’S PIZZA )  
BRANDING COMPANY, and SHERU )  
SINGH )  
)  
Respondents. )  
)  
)  
)

This Stipulation and Agreement (“Stipulation”) is entered into between Sheran De Putt Sher, L.L.C. doing business as Steve’s Pizza, and doing business as Steve’s Pizza Branding Company, (collectively, “Sher”) and Mr. Sheru Singh (“Singh”), and the

Commissioner of Business Oversight (“Commissioner”) and is made with respect to the following facts:

**RECITALS**

A. Sheran De Putt Sher, L.L.C. doing business as Steve’s Pizza and doing business as Steve’s Pizza Branding Company (“Sher”) is a California limited liability company. Sheran De Putt Sher, L.L.C. was formed on September 23, 2011. Sher has a principal place of business located at 9988 Verbena Court, Elk Grove, California, 95757. Sher is in the business of selling or operating commercial food and restaurant enterprises or franchises specifically serving the food known as pizza.

B. Sheru Singh (“Singh”), an individual residing in California, is both the managing member and the agent for service of process for Sher. Singh also has a principal place of business located at 9988 Verbena Court, Elk Grove, California, 95757. Singh and Sher are herein collectively referred to as “Respondents”.

C. On March 11, 2005, Steve’s Pizza or Steve’s Pizza Branding Company was known as Steve’s Pizza Franchise Corporation, doing business as Steve’s Pizza, the predecessor to Sher (“Predecessor”). Predecessor was a franchisor registered to engage in the offer and sale of franchises with the Department, effective March 11, 2005 to April 20, 2006. Predecessor was owned and managed by Steve Wilkinson (“Wilkinson”) and had various franchise locations in Sacramento, Yolo, and Placer counties.

Predecessor also had a franchise location at the restaurant located at the Dorado Hills Village Center Shopping Center, 3941 Park Drive, #100, El Dorado Hills, El Dorado County, California, 95762 (“El Dorado Hills Location”). Predecessor was a franchisor registered to engage in the offer and sale of franchises of Predecessor from 2005 to April 20, 2009.

D. Brand Equity (“Brand”) is a Colorado limited liability company with a business address of Post Office Box 61413, Denver, Colorado, 80206 and 280 Detroit

1 Street, Denver, Colorado, 80206. William Glennie (“Glennie”) is an individual doing  
2 business in Colorado and in California. In 2007, Glennie formed Brand and became the  
3 managing member of Brand. Predecessor was then owned and managed by Glennie and  
4 Brand from January, 2009 to at least May, 2015. Predecessor was comprised of  
5 restaurant franchises located in Sacramento, Placer and Yolo counties. Predecessor also  
6 was comprised of the same restaurant franchise previously owned as a franchise and  
7 registered at the Department by Wilkinson before Glennie and Brand, located at The  
8 Dorado Hills Location.

9 E. On April 10, 2013, the Commissioner issued to Predecessor, Glennie,  
10 Brand, and Wilkinson, among other parties, a Citation including Desist and Refrain  
11 Order (“Order”) and Assessment of Administrative Penalties (“Penalties”) pursuant to  
12 Corporations Code section 31406; and Claim for Ancillary Relief (“Relief”) pursuant to  
13 Corporations Code section 31408, (collectively the “2013 Action” or “Action”). The  
14 Action referenced the El Dorado Hills Location restaurant as a franchise. The Action is  
15 posted on the Department of Business Oversight (“Department”) website at  
16 [www.dbo.ca.gov](http://www.dbo.ca.gov).

17 F. In May, 2015, Predecessor, Glennie, Brand and Wilkinson entered into  
18 settlement agreements with the Department to end the Action. Glennie and Brand were  
19 required to pay five thousand dollars (\$5,000.00) in penalties to the Department in  
20 settlement of the Action. Singh paid the five thousand dollars (\$5,000.00) in penalties on  
21 behalf of Glennie and Brand. Singh was reimbursed from Glennie in the amount of five  
22 thousand ten dollars (\$5,010.00) for making the payment on Glennie and Brand’s behalf  
23 to the Department. The settlement agreements are also posted on the Department  
24 website for all to see at [www.dbo.ca.gov](http://www.dbo.ca.gov).

25 G. In November 2007, Respondents commenced a restaurant operation at the  
26 El Dorado Hills Location. There was a break in operation from approximately 2010 to  
27

2011. Respondents resumed operations of the restaurant at the El Dorado Hills Location in November, 2011. Respondents continued to operate this restaurant at the El Dorado Hills Location until at least November, 2015.

H. On November 24, 2015, Respondents filed Uniform Franchise Registration Application Number 4196, dated November 24, 2015 (“November 2015 Application”) to offer and sell franchises in California with the Department pursuant to the Franchise Investment Law, Corporations Code section 31000, *et seq.* (“FIL”). The November 2015 Application was deemed abandoned on July 28, 2016.

I. In the November 2015 Application, Respondents represented that Respondents “took over” the El Dorado Hills Location in November 2007 to 2010 and then 2011 to present. In the November 2015 Application, Respondents failed to disclose the full and complete facts of this transaction and change of ownership to the Commissioner, in violation of Corporations Code section 31200 of the FIL.

J. The Department, through the Commissioner, has jurisdiction over the licensing and regulation of persons and entities engaged in the business of offering and selling franchises in California pursuant to the FIL.

K. The Commissioner finds that this action is appropriate in the public interest and consistent with the purposes fairly intended by the policy and provisions of this law.

L. It is the intention and desire of the parties to resolve this matter without the necessity of a hearing and/or other litigation.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the parties agree as follows:

### **TERMS AND CONDITIONS**

1. This Stipulation is entered into for the purpose of judicial economy and expediency, and to avoid the expense of a hearing, and possible further court

1 proceedings.

2           2.       Respondents agree that for sixty (60) months immediately following the  
3 execution date of this Stipulation, if the Department makes a finding that Respondents  
4 have violated or are violating any provision of the FIL, the Commissioner may, in her  
5 discretion automatically revoke any registration then in effect. Respondents waive all  
6 notice and hearing rights to contest an automatic revocation initiated pursuant to this  
7 provision, which may be afforded under the FIL, the Administrative Procedure Act, the  
8 Code of Civil Procedure, or any other provision of law in connection with these matters.

9           3.       Respondents agree to take at least eight (8) hours of in-person continuing  
10 education offered by a FIL approved vendor annually for the next sixty (60) months and  
11 agrees to submit proof of compliance ("Compliance Reports") to Marisa I. Urteaga-  
12 Watkins, Counsel, 1515 K Street, Suite 200, Sacramento, California, 95814. The  
13 Compliance Reports are due to the Department on the following dates: December 31,  
14 2017, December 31, 2018, December 31, 2019, December 31, 2020, and December 31,  
15 2021. Failure to fulfill the minimum hours of continuing education required under this  
16 Stipulation or failure to submit any of the required compliance reports by the specified  
17 dates set forth herein shall be cause for the Commissioner to automatically revoke any  
18 registration then in effect. Respondents waive any notice and hearing rights to contest an  
19 automatic revocation initiated pursuant to this provision which may be afforded under  
20 the FIL, the Administrative Procedure Act, and the Code of Civil Procedure.

21           4.       Respondents shall pay to the Department the sum of two thousand five  
22 hundred dollars (\$2,500.00) as a citation pursuant to Corporations Code section  
23 31406(a) ("Citation") for Respondents' failure to disclose in the November 2015  
24 Application, in violation of Corporations Code section 31200, as set forth in Paragraph I  
25 above. Respondents hereby agree to pay the Citation at the time of execution of this  
26 Stipulation by way of cashier's check made payable to The Department of Business

1 Oversight and sent to the same, Attn: Marisa I. Urteaga-Watkins, Esq., 1515 K Street,  
2 Suite 200, Sacramento, CA 95814. Respondents hereby acknowledge and agree to  
3 disclose the Citation for Respondents' violation of Corporations Code section 31200 in  
4 all subsequent filings with the Department, including, but not limited to applications to  
5 offer and sell franchises in California, pursuant to the FIL.

6         5.         Respondents may file with the Department a new application Uniform  
7 Franchise Registration Application to offer and sell franchises in California with the  
8 Department pursuant to the FIL ("New Application"), as the November 2015  
9 Application was deemed abandoned on July 28, 2016.

10         6.         The parties hereby acknowledge and agree that this Stipulation is  
11 intended to constitute a full, final and complete resolution of the Accusation, excepting  
12 therefrom any proceeding or action if such proceeding or action is based upon facts not  
13 presently known to the Commissioner. The parties further acknowledge and agree that  
14 nothing contained in this Stipulation shall operate to limit the Commissioner's ability to  
15 assist any other agency, (city, county, state or federal) with any prosecution,  
16 administrative, civil or criminal, brought by any such agency against Respondents based  
17 upon any of the activities alleged in these matters or otherwise.

18         7.         Each of the parties represents, warrants, and agrees that it has had an  
19 opportunity to seek independent advice from its attorney(s) and/or representatives with  
20 respect to the advisability of executing this Stipulation.

21         8.         Each of the parties represents, warrants, and agrees that in executing this  
22 Stipulation it has relied solely on the statements set forth herein and has had the  
23 opportunity to seek the legal advice of its own counsel. Each of the parties further  
24 represents, warrants, and agrees that in executing this Stipulation it has placed no  
25 reliance on any statement, representation, or promise of any other party, or any other  
26 person or entity not expressly set forth herein, or upon the failure of any party or any  
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1 other person or entity to make any statement, representation or disclosure of anything  
2 whatsoever. The parties have included this clause: (1) to preclude any claim that any  
3 party was in any way fraudulently induced to execute this Stipulation; and (2) to  
4 preclude the introduction of parol evidence to vary, interpret, supplement, or contradict  
5 the terms of this Stipulation.

6 9. This Stipulation is the final written expression and the complete and  
7 exclusive statement of all the agreements, conditions, promises, representations, and  
8 covenants between the parties with respect to the subject matter hereof, and supersedes  
9 all prior or contemporaneous agreements, negotiations, representations, understandings,  
10 and discussions between and among the parties, their respective representatives, and any  
11 other person or entity, with respect to the subject matter covered hereby.

12 10. In that the parties have had the opportunity to draft, review and edit the  
13 language of this Stipulation, no presumption for or against any party arising out of  
14 drafting all or any part of this Stipulation will be applied in any action relating to,  
15 connected, to, or involving this Stipulation. Accordingly, the parties waive the benefit  
16 of Civil Code section 1654 and any successor or amended statute, providing that in cases  
17 of uncertainty, language of a contract should be interpreted most strongly against the  
18 party who caused the uncertainty to exist.

19 11. Respondents enter into this Stipulation voluntarily and without coercion  
20 and acknowledge that no promises, threats or assurances have been made by the  
21 Commissioner or any officer, or agent thereof, about this Stipulation.

22 12. The waiver of any provision of this Stipulation shall not operate to waive  
23 any other provision set forth herein, and any waiver, amendment and/or change to the  
24 terms of this Stipulation must be in writing and signed by the parties.

25 13. The parties agree that this Stipulation may be executed in one or more  
26 separate counterparts, each of which when so executed, shall be deemed an original. A  
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1 fax signature shall be deemed the same as an original signature. Such counterparts shall  
2 together constitute and be one and the same instrument.

3 14. This Stipulation shall be construed and enforced in accordance with and  
4 governed by California law.

5 15. This Stipulation shall become effective when signed and delivered by all  
6 parties ("execution date.").

7 16. Each signator hereto covenants that he/she possesses all necessary  
8 capacity and authority to sign and enter into this Stipulation.

9 17. This Stipulation is binding on all heirs, assigns and/or successors in  
10 interest.

11 18. This Stipulation may be revoked and the Commissioner may pursue any  
12 and all remedies available under law against Respondents if the Commissioner later  
13 discovers that Respondents knowingly or willfully withheld information used and relied  
14 upon in this Stipulation.

15  
16 Dated: November 14, 2016

JAN LYNN OWEN  
Commissioner of Business Oversight

17  
18  
19 By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division

20  
21  
22 Dated: November 9, 2016

SHERAN DE PUTT SHER, L.L.C. d.b.a.  
STEVE'S PIZZA, d.b.a. STEVE'S PIZZA  
BRANDING COMPANY

23  
24  
25 By \_\_\_\_\_  
26 Sheru Singh, Managing Member



Dated: November 9, 2016

SHERU SINGH

By \_\_\_\_\_  
Sheru Singh, an individual